

OF THE
TORONTO BOARD

OF

Fire Underwriters

REVISED MARCH 1901

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Constitution and Rules

—OF THE—

TORONTO BOARD

—OF—

FIRE UNDERWRITERS.

Revised March, 1890.

RULES OF ORDER:

1.—The presiding officer shall decide all questions of order subject to an appeal to the meeting.

2.—No motion shall be put or debated unless seconded, and all motions shall be reduced to writing.

3.—When any question is under debate, no motion shall be received, except to amend, to postpone, or adjourn, which latter motion excludes all debate and shall always be in order.

4.—The debate shall be governed by parliamentary practice.

5.—At an ordinary or special meeting of the Board, the Chair having been taken by the proper officer then present, the following shall be the

ORDER OF BUSINESS.

1.—Reading the Minutes of previous meeting.

2.—Unfinished business of previous meeting.

3.—Reports of Special Committees, or of the individual members forming a Committee of the Whole.

4.—New business.

STANDING ORDERS.

Revised and Confirmed May 15th, 1885.

Extract from Toronto Board Minutes in force May, 1885.

1.—That a Register be kept in which all changes of rating should be entered, and which shall at all times be open to the inspection of members only.

2.—That all questions deferred for action be placed on Minutes as notices of motion for next meeting.

3.—Printed Minutes to be sufficient notice of all enquiries relative to ratings, and a full compliance with Article 7 of the Constitution, and Sec. 18 and 19 of Rules.

4.—Tariff charges on Mansard Roofs do not apply to private dwellings.

5.—It was ordered that the extra rate for steam provided on page 112 of Tariff, cannot be applied to risks already rated for steam in Tariff. The general Tariff rating of 25 per cent. for "Steam Engines," is not intended to apply to risks where the engine is of four horse-power or under, or where it comes under the description given after the words "steam power," or "gas and caloric engines or borrowed power" in Tariff.

6.—All notices of rating shall be announced from the Chair before the adjournment of the Board.

7.—For 12 months from the 1st February, 1887, Companies must take new applications and issue new policies for risks that have been Schedule Rated.

TORONTO BOARD OF FIRE UNDERWRITERS.

REVISED AND AMENDED MARCH, 1890.

CONSTITUTION.

NAME.

ARTICLE 1.—This Association shall be known as the Toronto Board of Fire Underwriters.

OBJECTS.

ARTICLE 2.—The objects of this Board are the establishment and maintenance of Fire Insurance Rates and the promotion of the interests of Fire Insurance business in Toronto.

OFFICERS.

ARTICLE 3.—The Officers of the Association shall consist of a President, Vice-President and Secretary-Treasurer.

OFFICERS—HOW ELECTED.

ARTICLE 4.—The Officers of this Board shall be elected by ballot at the Annual Meeting and shall hold office for one year, or until their successors be appointed. Any Officer is eligible for re-election; and should he retire before the expiration of his term of office, the members may at any regular meeting elect his successor for the remainder of the unexpired term.

OFFICERS' DUTIES.

ARTICLE 5.—It shall be the duty of the President (or in his absence the Vice-President), to preside at all meetings of the Board, and to call special meetings of the Board at the written request of any five members.

ARTICLE 6.—In the event of the absence from any meeting special or ordinary, of the Board, of both the President and Vice-President, the members then present may elect a Chairman to preside at such meeting.

DUTY OF SECRETARY (See also Rule 10).

ARTICLE 7.—It shall be the duty of the Secretary, (or in his absence the Chairman shall appoint a substitute), to take the Minutes of the proceedings of each meeting and record the same in a book kept for the purpose. He shall forward a printed copy of the Minutes to each mem-

ber of the Board, also such other requisite notices, written or printed, as may be necessary.

MEETINGS—WHEN HELD.

ARTICLE 8.—Regular meetings of the Board shall be held every Thursday at 8 p.m., and the Annual Meeting on such date as the members, by a majority vote, may decide.

NOTICE OF SPECIAL MEETING.

ARTICLE 9.—One month's notice shall be sent to each member of any special meeting ; stating the object of such special meeting.

BREACH OF CONFIDENCE—ITS PENALTY.

ARTICLE 10.—The proceedings, orders, debates, of this Board, and also the Tariff of rates (as far as the latter is possible), shall be deemed to be honorably and strictly confidential, and shall not be divulged to any person not a member of this Board, and any violation of this rule shall subject the offending party to the penalties inflicted under sections 9 and 21 of the Rules of this Board ; but it is provided that this Article shall not prohibit any member from exhibiting to any officer of his Company any of the documents referred to in this Article.

QUORUM.

ARTICLE 11.—Seven members shall constitute a quorum for the transaction of business.

HOW TO BECOME A MEMBER.

ARTICLE 12.—Any Fire Insurance Company may become a member of this Board upon application to the Secretary, and on receiving a majority vote of the members present at any regular meeting.

MEMBERS TO SIGN CONSTITUTION.

ARTICLE 13.—All existing members, or Companies becoming members of the Board, shall sign a copy of this Constitution and Rules (kept by the Secretary for that purpose) ; agreeing that in the event of any charge being made of its violation, either general or directly against their individual Company, they will make a full and complete statement of their position or knowledge in connection with the risk or risks, or the point in question. And should the same be challenged, he or they shall, if called upon to do so, make a statutory declaration that the same is true, or submit any or all books or papers in his or their office for inspection by the Secretary or both ; and that he or they agree that each one of the representatives or employees of each Company provided for in the Constitution and Rules, shall, if required, make a similar statutory declaration ; and the failure of any one of the persons mentioned to make a satisfactory

declaration shall be accepted as evidence of a breach of these rules, and shall be dealt with as provided in Section No. 20 of the Rules.

HOW TO WITHDRAW.

ARTICLE 14.—Any member may withdraw from the Board—all dues to the end of the current year having been first paid—by a written notice to the Secretary; but such withdrawal shall not take effect or release the member from the agreement entered into under Articles 12 and 18, for the period of three months after date of said notice.

PERSONS ELIGIBLE TO ATTEND MEETINGS.

ARTICLE 15.—Any Manager, Secretary or Agent, representing a Fire Insurance Company being a member of this Board, may, in case of absence, substitute his Assistant Manager or Inspector to attend the meetings of the Board; such substitute, however, shall be bound by all the obligations referred to in Articles 10 and 18, on behalf of the Company he represents; his name shall be filed with the Secretary, and any action he may take in the proceedings of the Board shall be deemed as binding in every way upon his Company, as if he were the Manager, Secretary or Agent. The Chief Executive Officers of all Companies connected with the Board shall always be entitled to take part in its proceedings. When two or more representatives of a Company are present at any meeting of the Board, the Company so represented shall be entitled to one vote only.

CONSTITUTION AND RULES—HOW AMENDED.

ARTICLE 16.—The Constitution or Rules may be altered or amended, or new ones adopted by a two-thirds vote at the Annual Meeting or a Special Meeting called for that purpose, provided that one month's notice of such proposed alteration or amendment be given or sent to each member of the Board, except in the case of any Rule, Rating or Standing Order, which may have been adopted by the Canadian Fire Underwriters' Association, when such Rule, Rating or Standing Order may be adopted by the Toronto Board at any ordinary meeting, on one week's notice being given and published in the Minutes, or at any Annual Meeting without notice.

AGENTS AND CANVASSERS SUBJECT TO CONSTITUTION AND RULES.

ARTICLE 17.—The Constitution and Rules shall apply to Agents and to persons empowered to take risks for any Company represented at this Board.

RULES.

RISKS THAT MAY BE TAKEN FOR 3 YEARS.

SECTION 1.—No member of this Board shall take any risk for a longer term than one year, except such as are specifically mentioned in the Tariff of Rates. It shall, however, be competent for Companies to issue three years' term Policies for two years' premiums on Buildings and Contents, excepting upon Mercantile, Manufacturing and Hazardous Risks (Banks and Buildings occupied as offices solely are not Mercantile Risks), and certain properties owned by the Government and the Municipality of Toronto may be insured by the issue of Policies thereon for three years at two annual premiums. (Should any three-year Risk be changed by the introduction therein, in whole or in part, of a Mercantile or Hazardous occupation, the long term Policy must be cancelled, and thereafter the proper annual rate for the new occupation must be charged on the building and all the occupancies therein.

CANCELLATION OF POLICIES.

SECTION 2.—In cancelling a Policy at the request of the insured, a Company shall charge the short term premium up to the date of such cancellation; this, however, does not refer to cancellations where the risk is not terminated, but carried on under another policy for the mutual convenience of the Company and insured.

SHORT TERM RATES—WHEN TO BE CHARGED.

SECTION 3.—All insurance for a term less than one year shall be charged short period rates, as in the table attached to the Tariff. This section does not refer to re-insurance between two Companies.

WRITING RISKS UNDER TARIFF—DIVIDING COMMISSION.

SECTION 4.—No member of this Board shall underwrite a risk at a lower rate of premium than that provided for by the Tariff authorized by the Board, or pay to, or divide commissions with others than authorized agents, (whose names shall have been registered with the Secretary of the Board), or return to the insured, directly or indirectly, any portion of the stated premium. Commission, however, is allowed to be paid on re-insurance by one Company to another.

LOAN COMPANIES OR BANKS.

SECTION 5.—Commission may be paid to Loan Companies or Banks on the insurance of property in which the Company or Bank has a direct interest, or to which the loss, if any, is payable.

QUERIES TO BE ANSWERED AND PENALTY IN CERTAIN CASES.

SECTION 6.—Should there be good reason to believe that any representative of a Company, a member of this Board, has taken a risk at a rate lower than that authorized, such representative may at the request of any other be called upon by the Chairman at the weekly meeting, to state the rate collected by him upon the risk in question. Should it be proved that he has infringed or broken preceding Rule or Rules, he shall immediately collect the difference in the required premium, rebate or commission (as the case may be), or cancel the risk, and shall advise the Board when such difference is collected or cancellation effected, not later than the following weekly meeting; except in a case where, by reducing such rate of premium or paying said rebate or commission, he has obtained a risk which was held or just expiring in another Company, a member of this Board, in which case the cancellation by the Company shall be obligatory, and such representative or the Company shall not place (or accept) a risk on the same property in any Company within one month of the date of such cancelment.

NON-TARIFF OR UNLICENSED COMPANIES.

SECTION 7.—No member of the Board shall effect or accept any insurance, or re-insurance with or from any Fire Insurance Company licensed to do business in Canada, not a member of this Board, except in instances where all Board Companies should be full or not open for the insurance, and then only in strict conformity with Tariff rates and regulations. This rule is intended to prevent the transaction of business through the Agents of Non-Tariff Offices, whether with or without any consideration, except as provided for in Section 8.

AGENTS REPRESENTING NON-TARIFF COMPANIES.

SECTION 8.—That, hereafter no office or person holding official connection with a Non-Tariff Company, or acting as Agent or Sub-Agent for a Non-Tariff Office, shall be eligible to represent or Act for a Tariff Office, or receive or place business, or receive commission with or from members of this Board, whether as General Agent, Sub-Agent, or in any other capacity whatever.

FLAGRANT VIOLATIONS OF TARIFF—HOW PUNISHED.

SECTION 9.—Any representative of a Company belonging to this Board, who shall be proved to the satisfaction of said Board to have flagrantly violated any of the Rules of this Association, may be suspended by a majority vote of three-fourths of the members present at a special

meeting called for that purpose. One week's notice of motion to be given by the member proposing such meeting.

DUTY OF MEMBERS TO REPORT VIOLATIONS AND HOW.

SECTION 10.—It shall be the duty of each member to report to the Secretary, on printed forms provided for the purpose, all known deviations from the Rules and Rates as adopted, who shall submit the same at the next meeting of the Board for enquiry, the name of the complainant not to appear on the form.

CURRENT EXPENSES—HOW ASSESSED.

SECTION 11.—The current expenses of the Board shall be met by an annual contribution from each Company belonging thereto, such contribution, being divided and assessed "pro rata" on the aggregate Ontario business of each Company respectively for the previous year, but new Companies having no income for said previous year, shall be assessed not less than \$25 each.

TARIFF RATE TO APPLY TO RENEWALS.

SECTION 12.—The Tariff of Rates shall apply to all renewals of existing risks, as well as to new business, unless specially provided to the contrary.

BUILDINGS OF DIFFERENT CONSTRUCTION ADJOINING.

SECTION 13.—When buildings of different construction are adjoining and communicating, and separate sums are insured on each, or on the contents of each, a rate not less than that applicable to the different classes must be charged; but if the said buildings are insured *under one sum*, the rate applicable to the building of inferior construction shall apply, and if the contents of both buildings are insured *under one sum*, the contents rate shall be applied in a similar manner.

SEPARATION OF AMOUNTS.

SECTION 14.—Specific amounts must be placed on each kind of property covered by the insurance; Building and Contents, or Building and Machinery, or Stock and Machinery must never be written under one sum, and all insurances covering the same property should be made to read concurrently.

MIXED CONSTRUCTION AND DIFFERENT OCCUPANCIES.

SECTION 14a.—When any building combines more than one classification in its construction, or when said building is occupied by more than one tenant, the highest rate applicable to the lowest classification and to the greatest occupation hazard shall be applicable to all, except that the rate on the following stocks (upon which the rate is advanced on account

of their perishable nature), shall not govern the rates of occupancies in the same building, namely:—

Book and Stationer's Stocks, Church Ornament Stocks (no wood-work), Confectionery (no manufacturing), Crockery, Glassware, Fancy Dry Goods, Millinery and Small Wares, Florists, Jewellers, Opticians, Milliners and Dressmakers, Pawnbrokers, Picture Frame and Artist Work (Saleroom only), Silversmiths and Working Jewellers, Stationers and Book Stores, Tobacconists, Toy Shops and Fancy Goods.

BLANKET POLICIES INTERDICTED.

SECTION 15.—No member of the Board shall include in one amount insurance on two or more Risks, unless such Risks shall be on or in buildings communicating internally with each other, or under one roof, unless the Policy be "Subject to Average."

MINIMUM RATES FOR SPECIALS.

SECTION 16.—That the Minimum rates for Specials in Toronto shall not be less than those named in the Tariff adopted by the Canadian Fire Underwriters' Association, which shall be the net ratings. And further, that any Special Ratings of this Board which may be in excess of the Minimum Rates referred to, shall, at the discretion of the Toronto Board, be maintained or altered according to their Rules, but such rates shall in no case be less than the Minimum.

SPECIAL RATINGS—HOW CHANGED.

SECTION 17.—That no change of rate be permitted in any premises specially rated, except as provided for in Section 18, or unless the same premises shall have become vacant, in which case the Special Rating shall cease (*unless rated for external hazard*). If desirable the premises may then be again specially rated under the new occupancy, unless otherwise ordered by the Board. Rebates on Current Policies, when change of occupancy lowers the rate, shall not be allowed, unless with the approval of the Board. This does not apply to Removals.

SECTION 18.—Any member desiring to bring forward a resolution for the inspection and rating of any particular risk, shall give one week's notice of the same at a meeting of the Board, provided that in no case shall any risk be re-rated within six months, unless some material change in said risk has taken place within that period; and that the Secretary, Mr. McLean, be empowered to inspect and report a rate, for the decision of the Board, on all risks which in future may be brought up for rating. Specific Tariff Rates fixed for any Risk shall supersede the general Tariff.

(a) Where, by reason of the construction, or by some special feature of the risk, a strict application of the Schedule extras would inflict a mani-

fest injustice, the Secretary shall have power—subject to confirmation by the Board—to modify the extras in the Schedule with regard to such Special Risks. And further, whereas the strict application of the extra required by the Schedule rating for boiler, causes, in many instances, an injustice to the assured, where the boiler is used for heating only, and similarly as regards iron smoke stacks on buildings which do not endanger the factory proper, it shall be at the discretion of the Secretary to modify or abolish altogether the extras in question, if circumstances warrant such action.

(b) When a manufacturing risk has been so constructed or improved as to render eligible for acceptance by the New England Mutual Insurance Companies, such risks may, upon application, be exempted from the operation of any Tariff, and shall then be specially rated by the Board, according to the circumstances of each case, but such specially rated risks shall be inspected at least twice a year as a guarantee that the Standard for which the Special rating was granted is being maintained—the expenses of such inspection to be borne by the Companies interested in the risk.

(c) When a Risk, from peculiarity of construction of the building, is better than what was contemplated when the Minimum Tariff was established, or when a risk of any occupation not provided for in Schedule rating, is provided with fully equipped automatic sprinklers or automatic fire alarm, it shall be competent for this Board, on application being made by the assured, and on the recommendation of the Secretary, to specially rate such risk, anything in the Board Rules or Rating to the contrary notwithstanding.

WHEN A CASE IS TO BE REPORTED TO HEAD OFFICE.

SECTION 19.—Each instance where the full premium *actually paid* is below Tariff rate, shall be treated as a contravention of the Rules, notwithstanding the same may be reported to the Company and settled for by the agent at the proper Tariff rate, and each of such contraventions shall be reported by the Secretary of this Board to the chief office of the Company in Canada.

DEPOSIT GUARANTEE AND PENALTY FOR INFRACTIONS OF TARIFF.

SECTION 20.—Each Company hereby undertakes to be responsible for due payment by its agent, of any and all fines imposed by the Board upon him; but if preferred, a deposit by the agent of \$50 will be considered as equivalent to such undertaking. Should it be shown to the satisfaction of the Toronto Board, by a two-thirds vote of the members present at any

regular meeting—the usual notice through the Board's printed Minutes of the previous meeting having been given—that any of the officials or employees, or a Company—a member of this Board—has violated any of the Rules or Regulations, the Board shall impose a fine on such person or persons so violating as follows, viz.: Twenty-five per cent. of the correct premium involved in the transaction, if it be a question of tariff, or commission, or consideration violation; and in other cases, a direct fine of five dollars for the first offence, and ten dollars for each subsequent offence by the same party or parties (but in no case shall the fine be less than five dollars); and the report of the same with the names of the offenders and the amount of fine to be conspicuously printed in the Minutes of the Toronto Board of that date.

A CHARGE—HOW INVESTIGATED.

SECTION 21.—If a charge is made against any member or representative of a Company, a member of this Board, the Secretary shall investigate the matter and if need be, have the right of access to any papers, books or other documents, and should he fail in having the matter rectified to his satisfaction he shall then at once report all the facts to the Board, whose decision in the matter shall be final. Should the defaulting representative or Company neglect to comply with the decision of the Board, a special meeting shall be called as provided for in Article 9 of the Constitution and Section 9 of the Rules, to determine what action may be taken. Provided, however, that any such charge or accusation may, if deemed advisable, be referred to a Committee, to whom the reply of the accused shall be communicated; and no charge or accusations shall be printed or appear in the Minutes until the report of the Secretary or Committee is before the Board, and then only as part of the whole case, and when ordered by the Board to be printed.

VIOLATIONS OF TARIFF OR RULES—NOT TO BE FOLLOWED.

SECTION 22.—If any member of this Board infringe or break any of the Rules of this Association, the same shall not be considered either an excuse or justification for any other member so doing.

ENDORSEMENT FEE.

SECTION 23.—A fee of fifty cents must be charged and collected for all endorsements, except notices of further insurance and concurrent wording; and any endorsement or written acknowledgment of a change of interest shall be considered as an assignment and charged for as such.

DUTY OF SECRETARY (See also Con. Art. 7 and Rule 10).

SECTION 24.—It shall be the duty of the Secretary of the Board to send a printed enquiry to every member upon such matters as may form

the subject of general enquiry at the Board Meetings, and it shall be the duty of every member to send a written reply to such enquiries in time to be laid before the next regular weekly meeting of the Board.

WORKMEN'S RISK.

SECTION 25.—That no Agent of a Board Company shall in any case grant a Workmen's Risk except on the printed or written forms in use by his Company, or by endorsement on Policy, and in no case shall any Workmen's Risk be granted free of charge for an indefinite period. The minimum extra rate for any period short of two weeks shall be five cents per \$100. The signing of a written waiver is strictly prohibited. All applications involving any question as to the propriety of granting Workmen's Permits in certain cases where a doubt exists, free of any charge, must be referred to the Secretary for decision, such decision to be recorded in a book to be kept for the purpose at the office of the Association. On Special Risks, ordinary repairs and alterations may be permitted without extra charge.

TO PREVENT GROUNDLESS CHARGES.

SECTION 26.—To prevent groundless charges being made, all enquiries or charges filed with the Secretary, where an investigation of books or statutory declaration is required must be accompanied by a deposit of two dollars with the Secretary by the Company or Agent making such request, such money to be repaid in the event of the charge being sustained, and to be forfeited to the Board if found groundless.

MONEYS FROM LICENSES, &c, HOW DISPOSED OF.

SECTION 27.—All moneys received from licenses or fines to be held by the Secretary of the Toronto Board to be disposed of as may hereafter be decided at an Annual or Special General Meeting—notice of such action having been given one month previous.

MINIMUM RATES FOR WHOLESALE AND RETAIL RISKS.

SECTION 28.—No retail stock shall be written at less than 75 cents, and no wholesale stock at less than 60 cents, whether specified in the Tariff or not.

GRAIN RISKS.

SECTION 29.—That each Company shall name a person as the responsible representative for all Grain Risks taken by it, who shall facilitate in every way possible any investigation that may be instituted regarding any infraction of the agreement, not to allow to the insured or any other person in any way, directly or indirectly, any beneficial consideration whatever. That supposed infractions shall be reported to the Secretary, or other

officer appointed by the Board, in writing (confidentially), who shall at once proceed to investigate the charge and report thereon to the Association.

VIOLATION OF TARIFF.

SECTION 30.—No member of this Association shall accept or renew a risk at less than Tariff Rate. Any Company or Agent violating the foregoing rule, shall be obliged to cancel the insurance, and the Company shall not be permitted to accept a risk on the same property, nor shall the Agent be permitted to place a risk thereon in any Company, for one month from the date of such cancellation. Should, however, the insurance be a renewal of a risk not specially rated, which was renewed or accepted the previous year at the correct Tariff Rate, the Company shall be permitted to collect the additional premium instead of cancelling the insurance. When more than one Company is on a given risk below Tariff Rate, the Secretary shall name a day for Companies to act concurrently in cancelling the insurance.

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